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SENATOR CARDIN TELLS TANEYTOWN BUSINESS GROUP THAT SMALL BUSINESSES ARE THE KEY TO OUR ECONOMIC RECOVERY

TANEYTOWN, MD – **U.S. Senator Benjamin L. Cardin** (D-MD) today told the Taneytown Business Breakfast that the recently enacted economic recovery package and omnibus appropriations contain important provisions that will provide them with some relief during these difficult economic times.

“Our nation’s economic recovery is dependent on the growth of small businesses,” said Senator Cardin, a member of the Senate Committee on Small Business and Entrepreneurship. “My top priority and the top priority of the Obama Administration is to make sure that businesses get the support and capital they need to remain in business and succeed.”

Senator Cardin successfully offered an amendment to the ***American Recovery & Reinvestment Act*** (ARRA) to help small businesses compete for larger contracts. Due to the economic crisis, surety companies have rejected bond applications because the contractors cannot show that adequate financing is in place to complete the project. The Cardin amendment makes it easier for small businesses to obtain larger surety bonds by temporarily increasing the limits on the Small Business Administration (SBA) Surety Bond Guarantee Program from \$2 million to \$5 million for contracts awarded under the recovery plan. On March 27, the SBA announced it was instituting the Cardin amendment in the recovery package and raising the surety bond cap to the \$5 million level.

The economic recovery package also includes additional provisions that will help small businesses by strengthening and improving the SBA’s 7(a) and 504 loan programs, increasing funds for microloans, and increasing the amount of equity investment that is allowed in small businesses so that they will be more attractive to investors.

In addition, on March 11 President Obama signed into law the ***Omnibus Appropriations Act for FY 2009***, which includes more than \$546 million for the Small Business Administration (SBA), providing a boost to the nation’s 27 million small businesses. This

funding is a \$47 million increase from what was appropriated last year when disaster loan funding is excluded.

*“Small businesses make up more than 99% of the nation’s firms and employ more than half the workforce,” said **Senator Cardin**. “Small businesses are the lynchpin of our economy, and I am pleased that I have helped ensure they have additional resources during these difficult economic times so that the credit crisis facing our nation doesn’t shut them out of business.”*

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